

# DWP Benefit Conditionality and Sanctions in Salford - **One Year On**





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# 1. Foreword

In 2014, a Task Force comprised of members of Salford's Financial Inclusion Practitioner's Group (FIPG) was invited by Chair of the Skills and Work Board, Councillor Paula Boshell, to produce a report into the impact of Department of Work and Pensions (DWP) conditionality and benefit sanctions in Salford. This followed concerns from Board members that aspects of the regime, rather than incentivising claimants to move into employment, were frustrating claimants' ability to engage in appropriate volunteering, training and employment activities.

In August 2014, after undertaking considerable research in Salford, our Task Force produced a detailed and wide ranging report entitled 'DWP Conditionality and Sanctions: an interim report into the Department of Work and Pensions' regime and impacts in Salford'. The report was endorsed by the Skills and Work Board and publicly launched in October 2014 and was well received at both local and national level featuring in an article in The Guardian and submitted as evidence to the All Party Parliamentary enquiry into benefit sanctions.

[http://www.partnersinsalford.org/documents/DWP\\_Conditionality\\_and\\_Sanctions\\_Interim\\_Report\\_final\\_\(2\).pdf](http://www.partnersinsalford.org/documents/DWP_Conditionality_and_Sanctions_Interim_Report_final_(2).pdf)

Our report concluded that strict benefit conditionality, the threat of and use of benefit sanctions, do not encourage someone to move from benefits into work as the government states but in fact cause damage to the wellbeing of vulnerable claimants and can lead to hunger, debt and destitution. Furthermore, public and voluntary sector organisations in the City are increasingly having to step in to support claimants who are thrown into crisis due to benefit delays and sanctions which is adding to the strain on resources when they are faced with government budget cuts.

We recognised early on that the impacts of welfare reform changes were only just starting to emerge and that the environment around benefits sanctions was changing, hence it was agreed that an additional report be produced after a period of at least 12 months had elapsed.

This report considers what has changed locally since the interim report taking into account the rise in Universal Credit (UC) claimants in the City. Our focus however remains the impact of the regime on Salford's "vulnerable" claimants, particularly young people (especially care leavers), claimants with dependent children, with health conditions and whose first language is not English. The rationale being the wealth of qualitative evidence in the interim report suggesting that these groups appeared to be disproportionately affected by sanctions.

The report also assesses to what extent the Task Force has been successful in implementing its initial recommendations over the past 18 months recognising the achievements made in promoting good practice at a local level through a number of channels including;

- establishing awareness sessions with Jobcentre advisers and practitioners in the City in order to better understand the needs of vulnerable clients;
- developing expertise across Salford's advice sector to support claimants who have been unlawfully sanctioned to challenge DWP decisions using social security legislation but also the Equalities Act and Public Law grounds with success. Salford Unemployed Community Resource Centre has initiated Judicial Review proceedings and discrimination proceedings and has lodged complaints with the Parliamentary Commissioner. Salford Welfare Rights and Debt Advice Service has initiated two discrimination claims;
- training Salford's frontline workers about Welfare Reform changes and how this affects claimants they are supporting, how to advocate on behalf of vulnerable clients to ensure they are able to comply with their claimant commitment and avoid being sanctioned.

The Task Force has produced a set of final recommendations which will provide the framework for an action plan for 2016-2017 owned by the Task Force and reported into the Skills and Work Board.

### **Task Force members:**

**Alison Page** (Chair) – Salford Community and Voluntary Services.

**Debbie Witton** - Welfare Rights and Debt Advice Service, Salford City Council (SCC)

**Alec McFadden** – Salford Unemployed Community Resource Centre.

**Dave Ormsby** – Salford Citizen's Advice Bureau

**Bev Connor** – Customer and Support Services, SCC

**Mike Benjamin** – Customer and Support Services, SCC

**Angela Woodcock** – Salford Discretionary Support Service, SCC

**Richard Bundy** - Welfare Rights and Debt Advice Service, SCC

**Catherine Connors** – Skills and Work Commissioning Team, SCC

## 2. Executive Summary

The Department for Work and Pensions Mission Statement states that the Department aims to promote opportunity and independence for all and help individuals to achieve their potential through employment enabling them to provide for themselves and their families. It also aims to tackle poverty.

Evidence collated in Salford for this report presents a clear challenge to the premise that these outcomes can be achieved when a policy of increasingly stringent conditionality and sanctions within the social security system has been pursued by the current and previous government administrations.

The reasons for this are multi-faceted. There is a wealth of evidence illustrated by case studies from Salford organisations that for many claimants the current application of conditionality rules and the fear of being sanctioned impacts negatively on mental wellbeing. This is not conducive to encouraging or incentivising people into education, training or employment, especially when they face real and significant barriers accessing the labour market. The majority of claimants featuring in our case studies also have health problems or personal circumstances which should identify them as “vulnerable” according to DWP’s own internal guidance.

The Task Force acknowledges that the number of published adverse sanction decisions has been declining but, as explained in the report, the rate of sanctioning within Salford Jobcentre offices has not reduced and in fact has risen in Eccles and Worsley offices. Furthermore, it is clear from case studies that the impact on the individuals and families who do have their benefit sanctioned can be devastating.

The work of leading academic Dr David Webster illustrates that although a decline in the number of adverse sanction decisions can be seen as positive, this does not give the full picture as the numbers claiming Jobseeker’s Allowance (JSA) has fallen significantly, partly due to the economic climate, but also due to larger numbers claiming Universal Credit which the Department has refused to publish.

Furthermore, University of Oxford research questions whether the regime is in effect “bullying people off the books”. In the absence of DWP destination data it cannot be concluded that the reduction in the Jobseeker’s Allowance claimant count is solely due to people moving into employment. We know that significant numbers of young people in Salford are not claiming benefit, from research undertaken by Connexions for our interim report, so the issue of the “disappeared” is of concern (see Connexions testimony on page 30).

## **The purpose of our “One Year On” report is threefold;**

### **(i) To highlight the continued impact of DWP’s conditionality and sanctions regime on Salford’s residents**

It is evident that those affected are already living in poverty and debt, many are young people, people with health problems and often those least able to navigate an increasingly complex social security system and access support. Furthermore, although national statistics are complex there is emerging evidence that many sanctions are being imposed on the same claimants more than once over a short period of time.

Salford Unemployed Community Resource Centre has advised a resident who is deaf with learning disabilities who has been sanctioned on 5 separate occasions for being unable to complete work search diary sheets and cope with appointments.

More people are accessing hardship payments to survive. In order to receive hardship payments following a sanction a claimant must prove they are without any other means of financial support. This illustrates a rise in numbers of the destitute.

### **(ii) To contribute a Salford perspective to national welfare to work policy debate**

This report adds a Salford perspective to the growing body of reports from the voluntary and faith sectors, charities and academics which point to a punitive regime based on ideology as opposed to evidence that is not directly resulting in improved employment rates but is clearly leading to hardship and in many cases destitution.

The Task Force hopes this work will add to the voices calling for an independent non-governmental review of benefit sanctions and backs the TUC Welfare Charter calling for an Ombudsman for claimants to be established.

<http://www.unitetheunion.org/uploaded/documents/Welfare%20Charter%20Flyer11->

### **(iii) To influence Greater Manchester Combined Authority (GMCA) around future welfare to work policy**

The Task Force welcomes the opportunity which devolution may bring to create a more effective and less punitive welfare to work delivery model with positive health and employment outcomes for GM claimants. The Task Force wants to ensure that programmes commissioned by GMCA as part of the devolution of the Work and Skills budgets, including Working Well expansion, do not replicate the harsh and counterproductive conditions of the current conditionality and sanctions regime but adopt evidence based approaches which we believe will lead to improved



outcomes for GM claimants and reduce demand on local organisations who are dealing with both the human and financial costs of sanctions. This work should also inform the redesign of services in GM to support out of work claimants and the new national Work and Health programme.

## **The following is a summary of the recommendations of the Task Force.**

### **1. Protecting the safety net**

- 1.1 Resources in the City must be pooled to protect the safety net. As a result of Welfare Reform changes (bedroom tax, benefit cap, freeze on working age benefit payments) and public service funding cuts, the “safety net” is being gradually eroded leaving claimants extremely vulnerable to financial hardship and the threat of homelessness. It is critical that services are adequately resourced to meet the needs of Salford claimants who find themselves at the point of crisis due to benefit sanctions.
- 1.2 We recommend Salford City Council commit to maintaining current funding levels for the Immediate Emergency Assistance element of the Salford Discretionary Support Scheme in 2016-2017 and beyond as part of a coordinated approach to protecting a safety net in the City. We want Salford City Council to widely promote the Salford Discretionary Support Scheme to claimants and agencies including a poster campaign and social media publicity.
- 1.3 Salford City Council, local social housing providers including Salix Homes and City West Housing Trust, the Clinical Commissioning Group, NHS Salford, GMCA and other relevant commissioners and funders should explore investment in free, independent and impartial advice services to maintain and build on current welfare rights and debt advice services. These services ensure that claimants understand their legal rights to a minimum income.
- 1.4 In order to enable Salford Credit Union to reach further into communities to provide opportunities for saving and affordable lending we recommend that partners and commissioners invest financially and in kind into Salford Credit Union so that it becomes the central dynamo around which Salford's financial inclusion services operate.

### **2. Continuing improvements in local practice**

- 2.1 We believe progress has been made locally since the original report was published, however case studies show there is much more to do to make Salford an example of best practice.

- 2.2 We are aware that all Work Coach roles within Jobcentre Plus become generic from 31st March 2015 therefore we recommend that all Salford Work Coaches receive quality training in disability awareness and the requirements under the Equality Act and Public Law to ensure reasonable adjustments are made to accommodate the needs of claimants who are deemed vulnerable according to DWP's own guidance and / or have protected characteristics under the Equality Act.
- 2.3 The Task Force wants agreement from partner agencies to systematically record when sanctions have been imposed on their service users and record outcomes when a decision is challenged, building on existing models of good practice in the City. This will improve our understanding of local impact.
- 2.4 The Task Force recommends that an action plan is agreed for the group to continue to monitor the scale and impact of sanctions on Salford claimants from April 2016. This will drive further improvements in local practice and we recommend that, to ensure ownership and accountability of the actions, members of the Task Force meet on a six monthly basis with Jobcentre Plus District Manager and Salford Operations Managers.
- 2.5 Evidence shows that vulnerable claimants are still being sanctioned and the group most affected is 18 to 25 year olds. Connexions, commissioned by Salford City Council, highlight the significant numbers of Salford's young people who are moving away from state support. This impacts on them financially but also denies access to programmes of education, training and employment therefore exacerbating the issue. Their families are also negatively impacted as they may be feeding and clothing the young person from a limited household income.
- 2.6 We want to explore in more depth why this is happening in Salford and how we can implement actions to reverse this trend in Salford where we continue to work with a significantly high level of young people not in education employment or training. We need additional resources to undertake this piece of work and recommend that partners through the City Partnership commit to pooling funding to enable this work to be undertaken by the Task Force and that the Task Force also explores external funding opportunities.

### **3. Influencing national and local policy**

- 3.1 We add our voice to those from a wide range of organisations and faith groups calling for an independent enquiry into the conditionality and benefit sanctions regime and recommend Salford's City Mayor and MP's campaign for this outcome

- 3.2 The exploration of the conditionality and sanctions regime in the City has shed light on a major cause of financial hardship and debt amongst a significant number of households.
- 3.3 We note that Salford City Council has agreed to produce a poverty strategy for the City with partners. We want to ensure that the sanctions work directly feeds in to the strategy and its action plan through the involvement of this partnership Task Force in developing the strategy.

## Conclusion

The Task Force conclude that the impact of DWP sanctions on vulnerable Salford claimants is significant and wide ranging. DWP figures illustrate a decline in the numbers of people in receipt of Jobseeker's Allowance being sanctioned but our local data shows that comparing numbers of sanctions against Jobcentre Plus register sizes (the number of claimants signing on for JSA) shows that the rate of people sanctioned has not reduced. Register sizes are decreasing and we believe that this is in part due to a growing number of "disappeared". These are claimants who drop their benefit claim or who move off benefit but do not take up employment. The government has refused to publish destination data.

Many vulnerable claimants struggle to meet conditionality meaning that, even if their benefit isn't sanctioned, having to keep up with the strict requirements DWP has introduced in order for benefit payments to be maintained can cause stress and anxiety – the fear of sanctions. Despite the drop in numbers in Salford receiving a benefit sanction for those who are sanctioned the impact is devastating.

It is clear that even a fixed term lower level sanction of four weeks duration significantly impacts on individuals and families for whom surviving on means tested benefits means they are already likely to be struggling to meet essential costs. A 'financial shock' such as a sanction causes both immediate and longer term impact as most people do not have the means to save, so have no safety net. This presents an emergency need for money to buy food, pay for heating and essential travel costs.

Evidence from Salford Central Foodbank shows 62% of referrals in 2014 were made by Salford claimants who had received a benefit sanction.

It remains the opinion of the Task Force that sanctions cause;

- build-up of unnecessary debt as claimants cannot pay bills or then borrow at high cost in order to meet their essential needs;
- exacerbation of existing debt issues where people already have problem debt;
- rent arrears where Housing Benefit is affected placing accommodation at risk;
- additional barriers to employment as a result of the distress and financial hardship caused by a sudden loss of income;

- stress affecting mental and physical wellbeing;
- damage to mental health which could lead to self-harm or suicide;
- tension within family relationships;
- a likelihood that claimants may commit crime, including shoplifting;
- people “bullied off the books” – the “disappeared” who stop claiming social security benefits.

From the wide range of responses we have received from Salford agencies working with claimants, despite the fall in sanctions, the impact of sanctions both on claimants and services within the City cannot be overstated and the harsh regime will be expanded to include additional groups as Universal Credit rolls out nationally this year.

### 3. National Policy Context

The “DWP Conditionality and Sanctions; One Year On” report takes stock of the recent developments in national social security legislation and national policy since August 2014 with reference to the important recommendations and subsequent government responses to the Oakley Review.

<https://www.gov.uk/government/publications/jobseekers-allowance-sanctions-independent-review>

Also the Work and Pensions Select Committee report into benefit sanctions is of interest.

<http://www.parliament.uk/business/committees/committees-a-z/commons-select/work-and-pensions-committee/news/benefit-sanctions-report>

Conditionality has become a central component of the UK social security system placing increasingly strict conditions on claimants who are entitled to benefit in order to continue receiving payments. It is based on the current government's assumption that unemployed people do not work because they are unwilling to or lack motivation to do so.

A sanction stops benefit payments for a minimum of 4 weeks to a new maximum of 3 years and can be applied where a DWP decision maker decides that a claimant has not complied with their conditionality requirements in order to give a “wake up call”. Conditionality now applies to claimants from ‘day one’ of a new claim depending on to which claimant group a person belongs. This makes it vital that claimants understand what is expected of them and know how to produce the evidence to show they are taking the required steps to seek work.

Benefit sanctions are applied for a number of reasons including;

- failure to prove actively seeking work;
- failure to participate in a Work programme scheme;
- failure to attend a Jobcentre Plus interview;
- failure to take up the offer of a job.

Although benefit conditionality has been a feature of our system since 1996 the use of benefit sanctions was minimal until the numbers of adverse decisions rose dramatically with Welfare Reform changes culminating in a watershed in October 2012 when legislation expanded the types of claimant who can be sanctioned as a result of conditionality breaches. These now include lone parents and sick and disabled people on Employment and Support Allowance (ESA).

Furthermore, the length of time over which a sanction can be applied was extended so that for jobseekers a sanction can now be applied for 13, 26 or a maximum of 156 weeks, resulting in the UK social security system applying one of the most stringent conditionality regimes in any European system.

Recently released statistics on sanctions confirm that the numbers of claimants being sanctioned nationally is significant; 1,895,229 adverse sanction decisions applied for Jobseeker's Allowance (JSA) and Employment and Support Allowance (ESA) claims since October 2012, more than 600,000 per year, or over 57,00 Jobseeker's Allowance and Employment and Support Allowance sanctions: decisions made to June 2015, 11 November 2015, available at <https://www.gov.uk/government/statistics/jobseekers-allowance-and-employ...0> a month on average. (Nov 2015, NOMIS release).

In August 2015, the UK statistics watchdog reprimanded DWP for providing misleading statistics on the number of sanctions imposed. The DWP claimed that during 2014, 6% of Jobseeker's Allowance claimants had been sanctioned however, analysis from the New Policy Institute in June 2015 showed the figure was actually 17% (one in six) of Jobseeker's Allowance claimants.

<http://npi.org.uk/publications/social-security-and-welfare-reform/rise-sanctioning-great-britain/>

The report revealed that there were 686,000 benefit sanctions in Great Britain in 2014; 606,000 Jobseeker's Allowance, 43,000 Income Support and 37,000 for Employment and Support Allowance. Sanctions rates had fallen slightly from their peak in 2013 but still the second highest recorded - the authors concluded that the drop in the numbers of sanction decisions was as a result of falling numbers of Jobseeker's Allowance claimants, not the system becoming less harsh.

Dr David Webster, Senior Honorary Research Fellow at the University of Glasgow is undertaking detailed research into the history of the Jobseeker's Allowance / Employment and Support Allowance sanctions regime. His most recent paper provides analysis of the latest statistical release from DWP in November 2015 which provides Great Britain sanctions data up until June 2015. Dr Webster describes a complex statistical picture due in part to the effect that the gradual roll out of Universal Credit to specific claimant groups has produced, as although the number of Universal Credit claimants is published, Universal Credit sanctions decisions are not. This needs to be borne in mind when considering the position in Salford as for the purposes of this report, analysis is solely based on publicly available DWP sanctions data which does not include Universal Credit.

<http://www.cpag.org.uk/david-webster>

To provide a more realistic picture, Dr Webster has been able to produce estimated figures for Great Britain and concludes that the estimated total number of sanctions on unemployed claimants before challenges, including both Jobseeker's Allowance and Universal Credit, in the 12 months to end of June 2015 is 499,000. The total of 499,000 before challenges for the year to end of June 2015 is less than half the peak of 1,037,000 in the 12 months ending October 2013.

He cites that the main reason for this is that the number of Jobseeker's Allowance plus Universal Credit claimants fell by 41% over the same period. But there is also a downward trend in the rate of Jobseeker's Allowance sanctions as a percentage of unemployed claimants. It has fallen from a peak of 6.77% per month before challenges in the 12 months to March 2014 to 4.92% in the 12 months to June 2015. Prior to May 2010, the highest ever figure for monthly Jobseeker's Allowance sanctions before challenges in a 12-month period was 3.81%, in the year to July 2008, and it was usually well under 3%. Only one Jobseeker's Allowance sanction in 50 is for refusing a job.

Furthermore, Employment and Support Allowance sanctions have been in decline from a peak of 49,400 before challenges in the 12 months to August 2014, to 35,000 in the 12 months to June 2015. Dr Webster identifies that sanctions before challenges as a percentage of Employment and Support Allowance Work Related Activity Group claimants are also now declining modestly. In the year to June 2015 the monthly rate was 0.59%. This figure peaked at 0.76% in August to October 2014.

A recent Freedom of Information request showed that more than half of the Employment and Support Allowance claimants sanctioned between April 2014 and March 2015 had mental health problems according to the DWP's own statistics.

Dr David Webster has compared sanctions under the harsher regime since 2012 published in August with November 2015 and concluded that a clear majority of the Jobseeker's Allowance sanctions imposed in April to June 2015 and about half of the Employment and Support Allowance sanctions were on claimants who had already been sanctioned within the previous two and a half years.

In terms of the proportion of hardship payments made over the same period Dr David Webster calculates that Jobseeker's Allowance hardship awards were running at less than 10% of sanctions but now are paid in over 40% of sanction cases. Employment and Support Allowance sanctions were running at a similar level up to 2012 but subsequently rose at a reduced rate. Although the absolute numbers of Jobseeker's Allowance and Employment and Support Allowance hardship awards have declined since 2013 they still remain above levels seen prior to the harsher 2012 conditionality regime. Altogether, there have been 749,900 Jobseeker's Allowance and about 14,500 Employment and Support Allowance hardship payment awards over the three and a quarter years 2012 to 2015.



Since the publication of our interim report, the Oakley Review of Jobseeker's Allowance sanctions in relation to Back to Work Schemes was published on 22 July 2014 together with a government response. The review focussed specifically on the sanctions imposed on Jobseeker's Allowance claimants who had been referred to Work Programme and other Back to Work schemes (a third of all JSA sanctions).

There is a paucity of international evidence on the efficacy of conditionality as an enabler to move claimants into employment, however a number of studies have been published over the past year which have considered this link.

The Department of Sociology at the University of Oxford conducted a nationwide study (Sociology Working Papers November 2015-01) analysing data over the period between 2005 to 2014 when 4.2 million people were referred by the Jobcentre Work Coach to a decision maker for a sanction decision resulting in 1.9 million of those decisions being made and suffering a loss of benefit as a result. The study also demonstrated widely different variations in decision making across the country.

The study is the first of its kind to consider in more detail whether sanctioning rates had a correlation with employment rates by focusing on destinations of claimants exiting Jobseeker's Allowance. The research found that since the introduction of the conditionality reforms in 2011 referrals for sanctions had increased threefold and there had been a consequent increase in people leaving Jobseeker's Allowance for reasons other than moving into employment. Only 20% came off Jobseeker's Allowance to start work, with the remaining 80% destination unclear.

The research shows people are moving away from state support and losing access not only to a basic income, but also to support which might assist them to move into employment and improve their financial and social position. Furthermore, once detached from the system, the study found that people had a much higher risk of homelessness, lack of food, unmet medical needs and poor health outcomes.

Despite the lack of evidence about the efficacy of conditionality, the regime will expand to further groups of claimants through the roll out of Universal Credit over the next 3 years.

(See Appendix 3).

## **The expansion of the conditionality and sanctions regime under Universal Credit**

Under current rules, parents with a youngest child aged 3 and 4 are expected to attend work focussed interviews and prepare for work.

From April 2017 parents whose youngest child is aged 3 or older who are able to work will be expected to look for work if they are claiming Universal Credit.



From early 2016 Cognitive Behaviour Therapy will be provided online to 40,000 Employment and Support Allowance and Jobseeker's Allowance claimants and those supported through "Fit to Work". From summer 2016 the government has announced its intention following pilots, to co-locate Improving Access to Psychological Therapies (IAPT) therapists in over 350 Jobcentres.

It is unclear at this stage whether refusing to access this service will lead to a sanction.

From October 2015 jobseekers aged 18 to 25 years old and not in education, employment or training before claiming Universal Credit will be mandated to participate in intensive activity to support job search. 18 to 21 year olds on Universal Credit will also have to apply for an apprenticeship, traineeship, gain work based skills or attend an unpaid 6 month work placement.

In work conditionality pilots are underway to bring part time workers under conditionality for the first time. A pilot commenced in Salford in December 2015. This applies to workers on Universal Credit who are earning below their "conditionality threshold" (for jobseeker's this can be a maximum of 35 hours per week x minimum wage). If sanctioning occurs at the same rate as for Jobseeker's Allowance claimants, at its peak this could mean an additional 600,000 sanction decisions nationally.



## 4. Local Policy Context

Over the past 18 months, the Task Force alongside the City's Financial Inclusion Practitioner's Group have worked on an action plan to highlight the impacts of Welfare Reform on Salford claimants.

There have been significant developments in Salford on the sanctions agenda over the past 18 months. Whilst we can use local evidence to influence national policy, the Task Force also wants to continue striving to make Salford an example of best practice in how the policy is implemented locally.

Following the publication of the Oakley Review we were initially encouraged by the government's response to accept all 17 of Matthew Oakley's recommendations many of which featured in our recommendations. We are concerned that subsequently, Professor David Webster from University of Glasgow has challenged the government's position and argues that only seven recommendations have been fully accepted and two have no timescales for implementation.

Of those, a number of improvements to communications were accepted and implemented. Jobcentre Plus in Salford has confirmed to us that clearer written information is now given to claimants. This explains the claimant commitment and consequences of non-compliance more thoroughly and that all claimant commitments are personalised taking into account any additional needs.

Despite this, our Salford case studies show that many claimants do not understand the implications of their claimant commitment and would be entitled to reasonable adjustments were their Jobcentre Work Coach aware of their additional needs. It is also apparent that some Work Coaches appear to be unaware that claimants cannot lawfully be sanctioned for failing to meet their claimant commitment, rather for Jobseeker's Allowance "failing to take reasonable steps" or for Universal Credit "all reasonable work search action". We conclude that practice in Salford appears to be inconsistent, with a mix of tailored and appropriate claimant commitments and inappropriate "one size fits all" claimant commitments agreed for vulnerable people who cannot meet these requirements.

### Task Force achievements in Salford

The Task Force has concentrated efforts on these areas so far; we have spent the past year working in collaboration with a range of partners to implement the recommendations of the **'DWP Conditionality and Sanctions: an interim report into the Department of Work and Pensions' regime and impacts in Salford'** interim report.

One of the main focuses has been to improve communications between Jobcentre Plus frontline workers in Salford and claimants about the conditionality regime so there is better understanding on all parts about what is required by law and to influence local practice within Jobcentres to drive up the quality of claimant commitments. The Task Force believes that these actions will reduce the risk of claimants receiving a sanction.

## **Practitioner Awareness Sessions with Jobcentre Plus**

Case study evidence gathered by the Task Force over the past year has highlighted the sanction pressure and risks facing vulnerable claimants who are more likely to struggle to meet their work related requirements. Those most affected include those with mental health problems, language / literacy barriers and vulnerable young people, especially care leavers.

In response, the Task Force worked together with Jobcentre Plus to facilitate two Practitioner Awareness Sessions with Jobcentre Work Coaches / advisers around the table with support workers and advice workers from Salford agencies who work with some of the most vulnerable claimants in the City.

The sessions aimed to provide;

- A useful exchange to allow Jobcentre staff with large caseloads an opportunity to gain a better understanding of the needs of vulnerable clients and ask for them to contact a named support worker when dealing with these claimants. The sessions also gave support and advice workers an opportunity to better understand day one conditionality and the mandatory expectations placed on claimants in the current system. Also discussed was the flexibility available to Work Coaches and advisers in making reasonable adjustments to claimant commitments and DWP's own guidance around vulnerability which can support a different approach in many of these cases;
- A forum for identifying better ways to work together to share information about a vulnerable claimant;
- An opportunity to develop a good practice approach to working with a range of local agencies to avoid vulnerable clients getting a benefit sanction.

All parties involved reported that the sessions were useful and a commitment was made by Jobcentre Plus to contact a known support worker before a referral for a sanction is made. This has been communicated to support and advice workers through the frontline Welfare Reform training sessions delivered by the Welfare Rights and Debt Advice Service.

A significant achievement is the agreement made by Jobcentre Plus to develop a protocol with the Next Step service who work with care leavers. Care leavers are a designated "vulnerable group" within DWP and should have a marker on

the system, however case studies submitted by Next Step demonstrated that care leavers were still being sanctioned. The agreement has led to improved outcomes for care leavers by avoiding sanctions as Work Coaches and advisers now liaise with Next Step to agree reasonable claimant commitments and over any subsequent work related issues or non-compliance.

The Task Force intends to continue to monitor the Care Leavers pilot and work to extend the agreed protocols to other groups deemed vulnerable within DWP's own guidance. These may include claimants with a disability, those in drug or alcohol recovery, families who are supported through the "Helping Families" programme (Troubled Families) or those with literacy or language barriers, all of whom currently face an increased risk of conditionality breaches.

## **Improved communications between Jobcentre Plus and Housing Benefit**

Salford Unemployed and Community Resource Centre (SURC) identified a number of cases whereby Housing Benefit had stopped as a result of a Jobseeker's Allowance or Employment and Support Allowance sanction. The suspension could take up to 8 weeks to be lifted causing the tenant to accrue significant rent arrears potentially triggering possession action from a landlord.

Representatives from SURC met with Salford City Council (SCC) to understand the causes and work out a solution to these issues. It became apparent that Housing Benefit were receiving an ATLAS (Automated Transfers to Local Authority Systems) notification from DWP informing them that Jobseeker's Allowance / Employment and Support Allowance payments had changed and did not state that a sanction had been imposed which does not end entitlement. This could be for a host of reasons so that in order to avoid an overpayment, SCC asks the claimant to contact them to inform them how their circumstances had changed.

SURC highlighted the impacts of this national system and its local impacts;

- Damage to people's health due to anxiety about rent arrears on top of a sanction;
- Increased pressure on the Council's homelessness service and the City's advice services;
- Wasted resources as claims are unnecessarily stopped and additional forms generated requiring processing by SCC.

This issue was subsequently picked up by government following the Oakley Review and a commitment made to improve notices from DWP by the end of 2015 / early 2016. In order to deal with issues in the meantime a local agreement was made by which SCC made a commitment to escalate any sanction cases which are brought to their attention by support agencies. This has led to improved communications and resolution of a number of cases at an earlier stage.

## Developing expertise around legal challenges

Sanction decisions can be challenged but the process is complex and can be protracted so claimants benefit from independent advice.

Of particular interest to the Task Force is the proportion of Jobseeker's Allowance sanction challenges which are successful. Nationally, Dr David Webster's research shows this is now over two-thirds, the highest it has ever been, but has fallen for Employment and Support Allowance to 40%. Unfortunately, it appears that adverse sanction decisions are not being challenged so rates of success are low; about 14% of Jobseeker's Allowance and 20% of Employment and Support Allowance sanctions are overturned.

In Salford, Welfare Rights Advisers have received training from Stephenson's solicitors to understand where sanctions may breach the Equality Act and Public Law. The adviser at SURC comments, "the gap between Jobcentre Plus practice and the law is a chasm". This is echoed by Dr David Webster who describes the regime as;

*"a secret parallel penal system with severe penalties but without proper safeguards."*

SURC has challenged more than 30 benefit sanction decisions since February 2015 and has succeeded in overturning 100% showing that significant numbers are being imposed unlawfully and if claimants seek advice and pursue a legal challenge there is a strong chance they will be successful. National evidence confirms that there are very low rates of challenges.

Other actions taken by the Task Force since the interim report to improve practice in Salford include the following;

- Leaflet produced for Salford CVS by Salford Welfare Rights and Debt Advice Service (WRADAS) on the conditionality and sanctions implications for volunteering;
- Leaflets on how to appeal benefit sanctions produced and disseminated by Salford WRADAS and SURC;
- Avoiding Sanctions workshops for frontline workers and workshops around conditionality for claimants delivered through Salford Information and Advice Network by WRADAS and Citizen's Advice;
- A number of agencies in the City now recording sanctions including Salford Foundation, Next Step, Connexions, Salford Credit Union;
- A number of agencies have adjusted their policies and procedures to mitigate against the damaging impact of sanctions e.g. Salford Credit Union, Salford Foundation and Guinness Partnership. This includes allowing reduced repayments on loans and providing emergency food and fuel;

- The Task Force engaged with G4S (Work Programme Prime) who agreed to give out Salford WRADAS “How to appeal a sanction” leaflets;
- Jobcentre Plus provide quarterly figures on hardship payment applications to Financial Inclusion Practitioners Group (FIPG);
- FIPG submitted a joint response with a link to our interim report to Parliamentary enquiry on sanctions interim report received national publicity in light of the whistle-blower from Salford Jobcentre which corroborated the report findings.

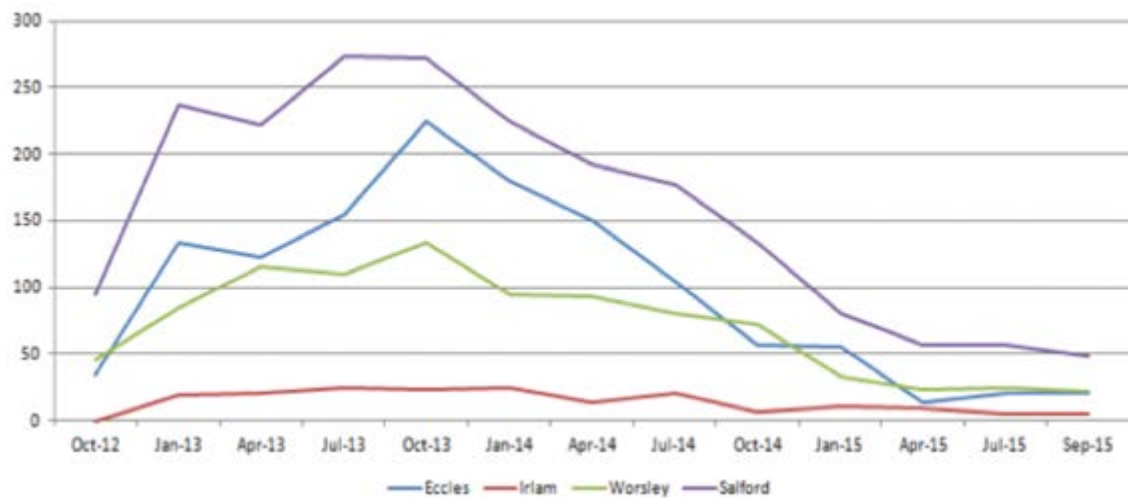




## 5. Salford Sanctions Data

The chart below shows the number of Jobseeker's Allowance adverse sanction decisions by the Jobcentre Plus office in Salford from October 2012 to September 2015 (latest publicly available figures) which reflects the national trend of a decline in adverse sanction decisions.

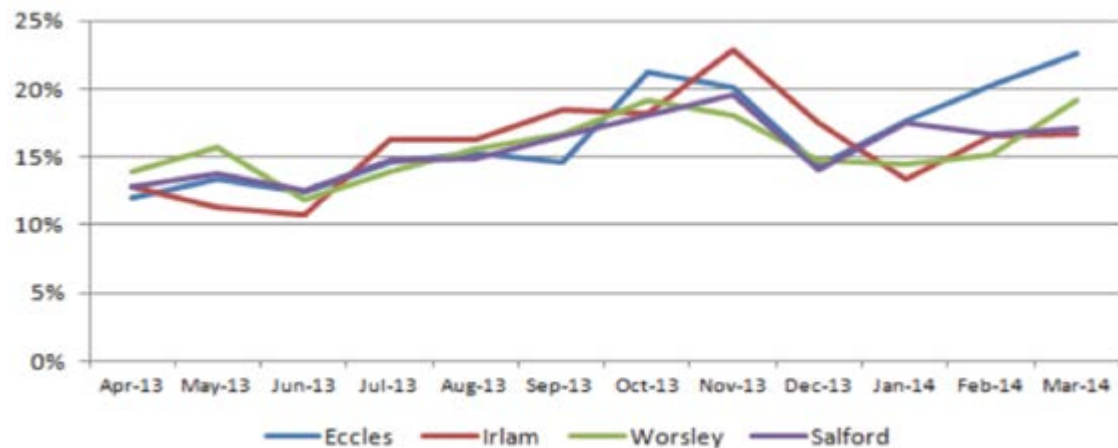
### JSA: Decision to apply a sanction or claim disallowed (adverse) by JCP office



(Data source: DWP, NOMIS)

However, the chart below compares the register sizes (the numbers of Jobseeker's Allowance claimants) by office (Eccles, Irlam, Worsley and Salford at the Opportunities Centre) with the claimants who have been subject to a sanction decision (including decision to apply a sanction; decision not to apply a sanction; reserved decisions; cancelled referral), for the period April 2013 to March 2014.

### Salford: % of caseload subject to sanction (Apr 2013 - Mar 2014)

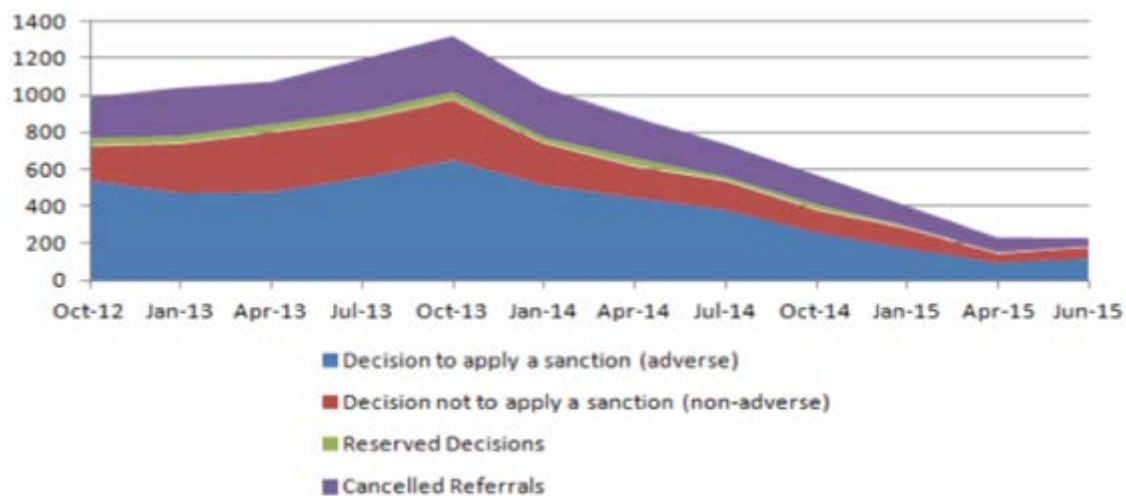


(source: JSA Sanction decisions, DWP Stat Explore, JCP JSA caseloads: Salford JCP)

Although the reported number of adverse sanction decisions clearly declined over this period, the rate of benefit sanctioning activity did not. In fact Eccles and Worsley Jobcentre Plus offices showed an increase.

The numbers of reserved decisions is significant as shown below, i.e. a sanction decision has been made but cannot be implemented by stopping benefit because the claimant is no longer in receipt of Jobseeker's Allowance. This means they have either abandoned their claim to Jobseeker's Allowance (the "disappeared") or become entitled to another benefit which may be Employment and Support Allowance because people's health deteriorates due to the stress of sudden loss of basic subsistence income.

### JSA sanction decisions in Salford



Data source: JCP JSA caseloads: Salford JCP

### DWP Glossary of terms:

**Decision to apply a sanction:** decision found against the claimant i.e. a sanction to be applied or the Jobseeker's Allowance claim is to be closed.

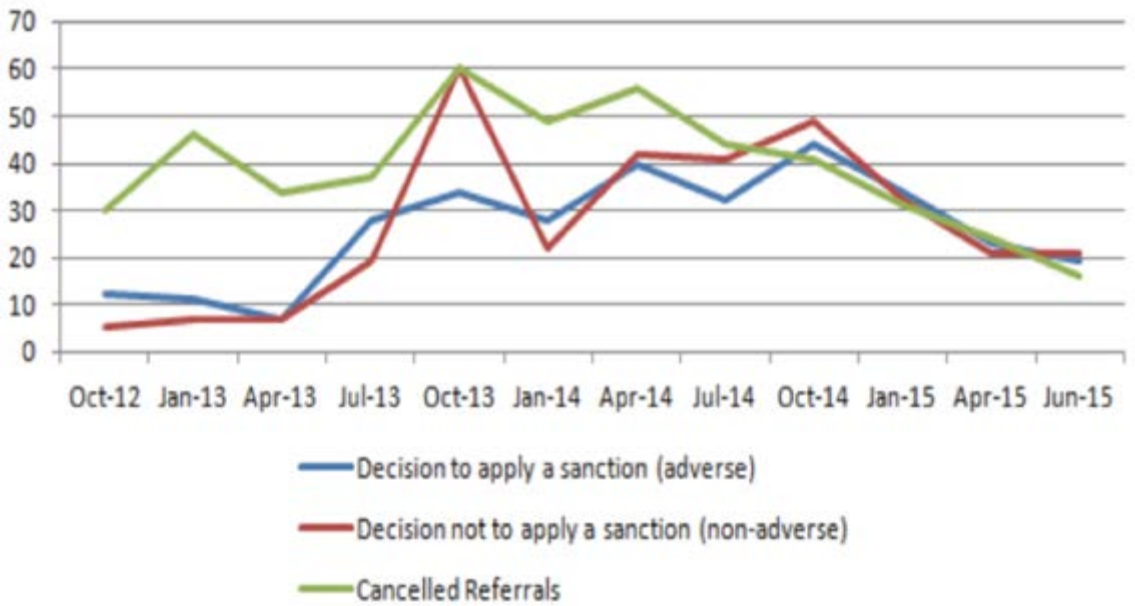
**Decision not to apply a sanction:** decision found in favour of the claimant i.e. a sanction is not applied.

**Reserved decisions:** when a sanction would be appropriate but cannot be imposed because the claimant does not have a current claim to Jobseeker's Allowance.

**Cancelled referrals:** A cancelled referral results in no sanction decision being made. This can occur in specific circumstances i.e. the sanction referral has been made in error; the claimant stops claiming before they actually committed the sanctionable failure, or information requested by the decision maker was not made available within a specified time period.

Below is an illustration of the number of adverse sanction decisions affecting Employment and Support Allowance claimants. Although the numbers have declined they are still being applied more frequently than before the regulations were tightened in October 2012. Also of importance to note here is the level of sanction activity. This is contributing to a fear of being sanctioned which to this group of claimants with existing health problems is of concern as it is likely to be damaging to mental and physical health knowing that your case has been referred for a sanction even where one is not imposed.

**Salford: ESA sanctions decisions**



The table below categorises the reason code for imposing a sanctions decision. This is interesting as the lowest recorded reason is for “refusal or failure to apply for/accept a job without good reason” whereas the main categories all relate to a person failing to meet their work search requirements including not proving actively seeking work or failing to attend Work Programme appointments or provision.

## Why decisions on sanctions in Salford are made

(source: DWP) data until June 2015, unable to get data for September 2015

### Salford: JSA Sanction Decisions (Oct 2012 - Jun 2015)

Failure to attend/participate in an Adviser interview without good reason	3,437 (25%)
Refusal/failure to comply with a Jobseeker's Direction without good reason	600 (4%)
Failure to participate in a scheme for assisting person to obtain employment without good reason - Work Programme	3,823 (28%)
Failure to participate in a scheme for assisting person to obtain employment without good reason - Skills Conditionality	328 (2%)
Failure to participate in a scheme for assisting person to obtain employment without good reason - other scheme	244 (2%)
Not actively seeking employment	4,440 (32%)
Not being available for work	178 (1%)
Left employment voluntarily without good reason	289 (2%)
Losing employment through misconduct	194 (1%)
Refusal or failure to apply for/accept without good reason	93 (1%)
Failure to participate in Mandatory Work Activity	148 (1%)

## 6. Impact in Salford

We have continued the dialogue with a wide range of agencies in Salford over the past year, many of whom were dealing with the crises caused by sanctions but were not aware of the wider policy context.

One of the recommendations of the interim report was to understand how vulnerable groups of Salford claimants were affected by sanctions; in particular households with children, young people / care leavers, people with health issues, particularly mental health issues and those with learning needs or language difficulties. Despite the reduction in numbers of adverse sanction decisions the latest case studies continue to show that vulnerable people are struggling to meet the work search requirements given in their claimant commitments. The flexible approach which Jobcentre Plus advisers can take is at best variable in quality across the four Jobcentre Plus offices in Salford despite national DWP guidance for Jobcentre Plus staff on identifying vulnerability, resulting in significant numbers of vulnerable claimants receiving sanctions or struggling to keep up with conditionality meaning they stop claiming benefits.

### Households with children

We hoped to be able to document the impacts on families with children in Salford more systematically, however despite our efforts we were unable to. From case studies, it appears that although some agencies record sanctions, not all agencies ask routinely about the reasons why families are in financial difficulty and deal with the crisis rather than the root cause. The Next Step service in Salford City Council are an example of good practice as they have put systems in place to record sanctions and have developed a protocol with Jobcentre Plus to ensure that care leavers have tailored claimant commitments. This is working well and has reduced sanctions for this group.

The case studies relating to the impact on families with children have come through the Welfare Rights and Debt Advice Services "Improving Financial Resilience Project" which supports families with complex needs through Salford's Troubled Families model, "Helping Families". This project receives referrals from Children's Services where financial issues have been identified.

Evidence shows that many lone parents are struggling to cope with increased conditionality. Many of those the project supports have mental health issues and are caring for children who may have behavioural problems. There is widespread evidence of former or current domestic abuse and often significant levels of

hardship, rent arrears, council tax arrears and other non-priority debts used to pay for school uniforms and to make ends meet.

## Case study

### Couple with 3 children

Claimant had been unable to learn English despite attending ESOL classes, due to a learning disability, and received a 4 week sanction due to a failure to provide written details of his work search activity. Their Housing Benefit stopped and they survived on Child Benefit and Child Tax credit as they didn't know hardship payments were available from Jobcentre Plus.

The family were issued with a Notice Seeking Possession and eventually received support from a Supported Tenancies Worker to get Housing Benefit back in payment, resulting in them being able to remain in the property.

As the family were unable to afford to heat their home it developed damp, the youngest daughter's asthma deteriorated and she started missing school bringing the family to the attention of the Local Authority.

## Young people aged 16- 25

Connexions provide an information, advice and guidance service for young people aged 16 to 24. National and local data confirms that young people are sanctioned at a much higher rate than others and Connexions advisers share concerns about how many young people struggle to cope with stringent and inflexible conditionality which is causing them to be sanctioned and in many cases, deciding not to claim benefit at all.

Below is a testimony from Salford Connexions;

“Young people are worried about being sanctioned and in some cases, see our service as an opportunity to increase their job search hours. This affects the true accuracy of the young person's career choice. For example, a young person might want to pursue a career in construction, but limiting themselves to that career choice won't allow them to get their full job search hours in per week.

This causes them to broaden their career choice, potentially into things that they don't really want to do just so that they won't get sanctioned.

Essentially, young people are often forced to apply for jobs that they don't really want in order to stop them from being sanctioned. Young people often come in wanting to apply for 'anything' for this reason.

This places a lot of stress and anxiety on the clients especially the ones who do not have access to a computer. Many young people struggle with Benefit conditionality from a number of perspectives, but either unsettled or chaotic domestic arrangements determine that many young people do not have consistent access to IT and the ability to submit online applications, which is the main route into employment in general and apprenticeships in particular. The level of applications required to satisfy conditionality determines that vulnerable young people who are unsettled and do not have family support, are particularly susceptible to receiving sanctions.

Furthermore most young people find the concept of online application extremely bewildering and convoluted. They become frustrated through inexperience and IT / digital skills that are insufficiently developed to allow them to realistically apply for most opportunities and therefore fall foul of conditionality.

One issue that is really frustrating the advisers is a level of inconsistency from Jobcentre Plus advisers. Some seem to be genuinely reasonable and willing to listen to Connexions Advisers in terms of some flexibility and the conditions they set for young people. Others are very strict and won't listen when Connexions advisers try to advocate on behalf of clients; they appear to hide behind rules and regulations.

There have been situations when clients have been left with no money and unable to attend interviews. They have had to borrow money off relatives to even get food in until the sanction was lifted.

More of a concern, advisers are repeatedly uncovering young people whose circumstances and abilities do not neatly fit specific benefits conditionality, they then choose to opt out altogether and find themselves in poverty and / or debt."

In terms of impact on the organisation and staff, Connexions confirm;

It's ".....time consuming and often difficult to ascertain genuine career aspirations of young people. Sometimes dealing with a sanction causes staff to spend lots of time with one particular client, thus meaning other clients don't have as much time spent on them.

The clients have to access our service on a more regular basis now to get support from advisors in their job search and also to use the client PC's and telephones to ring the employers.



The workload of our advisors has increased especially with clients who struggle to apply for vacancies who have low levels of literacy skills and therefore need support at every stage of applying for vacancies. There is a very strong correlation between the introduction of more rigorous conditionality and the resultant burden placed on Connexions advisers.

Very few young people have both the access to and ability to harness IT to apply for opportunities and are heavily reliant on support from Connexions to satisfy job search requirements. This is very resource intensive as many of the vulnerable young people who use Connexions are not confident enough to utilise our client PC's to search for and apply for opportunities. Advisers are typically spending several hours walking young people through online applications and equally advocating on behalf of young people who cannot comply with conditionality.

Connexions advisers are becoming increasingly frustrated with the fact that both policies and the government agencies that apply them simply do not 'join up,' to the detriment of the most vulnerable young people. We are building up a cadre of case studies to illustrate this and attempting to establish better communications and data sharing to minimise circumstances when these young people fall through the net."

This insight is echoed by the Council's Next Step service working with care leavers;

"Sanctions continue to put young people known to our service in financial hardship. This can result in them running up debt and failing to look after themselves properly. For a variety of reasons, many of our young people cannot meet the expectations set out in their Jobseeker's Agreements / Claimant Commitments. Sometimes this can result in them giving up their claim for benefits, which can obviously result in further debt."

In respect of the service impacts;

"Young care leavers facing sanctions can have a profound effect on our service. Young people regularly turn up in our reception area expecting Next Step to provide money & food parcels. Where we are unable to meet their demands, young people can often get angry and want to take it out on our staff."

The work to implement the protocol between Jobcentre Plus and Next Step to protect care leavers is now starting to avoid some of these issues;

"Our staff will attend initial interviews with Jobcentre Plus advisors with a view to advocating on the care leaver's behalf and influence where possible the content of the Jobseeker's Agreements / Claimant



Commitments. We have challenged a number of sanctions imposed on our care leavers through sending in reconsideration letters. Occasionally we have had some success in reversing the decision. From January 2015 we have started to record the number of sanctions to monitor progress."

Salford Foundation, offer mentoring and advocacy to offenders within the criminal justice system. Their experience of supporting vulnerable young people with conditionality and sanctions is alarming;

"Some of the young people accessing our projects do not access DWP anymore as they do not see the benefits of applying for small amounts of money with the number of restrictions and conditions placed on them. The impact of this is that many young people are then unable to access courses that could lead to employment. . . strained family relationships can arise as a result of these issues as many are already in hardship.

Clients often have poor coping strategies (when sanctioned) and failure to have a stable legitimate income can also make a criminal lifestyle seem more attractive and many will refuse to sign on and instead engage in criminal activities to generate a reliable income."

In terms of impact on service delivery and staff, Salford Foundation state;

"Staff have to work hard to manage change and crisis to prevent clients from doing something stupid. . . . staff have to safeguard young people who often threaten suicide in these situations."

The implications of a young person without income is of huge importance for a household. Parents may be forced to find money from a stretched household budget for food and clothes for the young person, but in addition can face knock on impacts due to benefit rules which reduce Housing Benefit by applying a higher rate non-dependent deduction where a young person is in a household but cannot prove their income because they are not in receipt of benefit or have verifiable earnings.

This is likely to be a source of conflict within a family and may lead to the young person becoming homeless if the family cannot afford to provide for them. We are keen to explore this area of work in more detail and this will be incorporated into our 2016-2017 action plan.

## People with learning disabilities and language barriers

### Case study 1

A claimant had been provided with full time learning support since primary school. He was sanctioned by his Jobcentre Plus Work Coach for failing to demonstrate a 35 hour job search using diary sheets, which he couldn't use due to learning difficulties.

This was challenged by SURC and overturned on appeal as the Judge agreed that "all reasonable action" was not 35 hours per week in this case. The claimant was desperately looking for work and eventually found a job in a warehouse.

### Case study 2

The claimant is a single male refugee with language difficulties and limited ICT skills. He was sanctioned for 4 weeks due to failure to go online and register for Universal Jobmatch.

The claimant became so stressed that he started smoking, after having given up with support from the Health Improvement Service. He survived on food parcels and fuel tokens organised by a Supported Tenancies worker who liaised with Salford Discretionary Support Scheme on the client's behalf.

The Service has seen an increase in demand from claimants as a result of sanctions and also benefit delays where service users have received support and are moving towards independence when they are thrown into crisis as a result of a financial shock and need additional support. This situation has been echoed by a number of Salford's public sector and community and voluntary sector organisations and illustrates the counterproductive nature of conditionality and sanctions which are driving up demand for services.

People with mental health problems, learning disabilities and addiction issues

Dr Tom Tasker, Clinical Lead for Mental Health on the Clinical Commissioning Group comments;

"Anecdotally we are seeing increasing numbers of patients coming through over the last 2-3 years with mental health problems exacerbated by changes to the benefit system.

For some people this has led to a deterioration in an existing mental health problem and for others, they have presented with a new onset mental health illness, usually depression / anxiety. This has obviously led to an increase in GP workload with significant numbers being referred on to psychological therapy services."

## Case study

Ethel is 60 and struggles to read and write. She attended special school from the age of 11. She has rheumatoid arthritis and mental health issues but was removed from Employment and Support Allowance when she failed to get through the work capability assessment. As part of her Employment and Support Allowance assessment she was sent a booklet to fill in and was then summonsed to a medical assessment. Ethel's Employment and Support Allowance claim was then closed down when she didn't attend.

For people in drug or alcohol recovery, another group described as vulnerable and requiring a flexible approach by DWP's own guidance, sanctions can sabotage treatment according to Achieve Salford Recovery Service;

“(following a sanction).....financially service users are unable to pay for a bus pass so are unable to attend appointments, this is impacting on their recovery and sustainability. Service users are preoccupied with financial difficulties and cannot focus on change and recovery when they are constantly worrying about feeding their kids or paying an electric bill.

The pressure applied to several of my clients about finding work / being available for work in the past has resulted in extreme anxiety which in turn does not aid recovery.’

The Supported Tenancies team work with a wide range of people who have additional and complex needs, however there are still incidences of these vulnerable claimants presenting with sanctions due to their work search requirements not reflecting their abilities;

“Our clients all have multiple issues including drug / alcohol, domestic violence, mental health, homelessness. Sanctions are having a huge impact on them and their ability to secure and sustain accommodation. The frequency and length of the sanctions can leave them with no money for basic essentials such as food and heating. Sanctions can also cause breaks in their claims which leads to Housing Benefit being stopped and this can put their home at risk or leave them homeless. Sanctions also have an impact on the likelihood of re-offending as no income leads to shoplifting food and other essential items.”

Clear examples of wholly unsuitable claimant commitments have been identified by support workers;

“We find that often the Job Seeker agreements are unrealistic, for example a refugee with very little English who is street homeless is

not going to be able to complete online forms and job searches. We have also had offenders who's licence / bail conditions prohibit them from using the internet and yet they are still expected to do online job searches and are sanctioned when they fail."

The team point out the impact on their service but also on other agencies at a time of service cuts;

"Crisis services in our community are all reporting an increase in footfall for help with food etc. and we are seeing a consistent rise in rough sleeping in our City. We are finding it increasingly difficult to find housing for our clients as private landlords are even more reluctant to consider benefit claimers for tenancies, they are concerned about sanction, breaks in claims and the implementation of UC.

Demand is increasing for our service but our resources are continually diminishing. The number of other agencies / services we can look to for help is also greatly reduced. We are seeing more and more clients returning to our service. In the past we would end support with someone because they had secured accommodation and learned the skills they needed to retain it and they would continue to reside there.

We are seeing more and more of these tenancies failing because, despite us supporting them to attain the skills needed to manage their own tenancy, they are unable to do so due to sanctions and the resulting rent arrears. Sanctions cost other agencies dearly as they have to provide for emergency needs such as food and warmth."

The ex-armed services champion at the Supported Tenancies Team says;

"I have a client now that is currently 61 days into an 85 day Universal Credit Sanction as he missed an appointment due to poor mental health. He has been living off food parcels and help from the local authority since May.

I have another client that pretty much had JSA sanction on and off for 6 months and only through help from our service has the cycle of repeat sanctions and poverty stopped."

Start in Salford provide creative activities for people with mental health problems in Salford and have supported service users who have received sanctions despite having recognised mental health problems which impact on their daily functioning. The pressure put on claimants to meet conditionality is also highlighted in their response;

"People who suffer from mental health issues often find it difficult to maintain an organised lifestyle and can often forget to attend

appointments which have then led to sanctions. Medication and a poor sleep pattern can also have an impact especially on morning appointments and therefore although the intention to attend things is there, people have a number of barriers which make it difficult.

We have people attending our service whose mental health issues have worsened due to the pressure from DWP. We have a number of people who now rely on food banks to eat and due to the fact that good nutrition is important for improving health and wellbeing, it is hard for people to do some of the self-help activities we encourage, as part of the holistic approach. Sanctions have led to housing issues as the Housing Benefit has not been paid and people end up in rent arrears."

Mind in Salford confirm a similar experience and highlights the wider impact of other welfare reforms which the same client groups are facing, in addition to the threat of or imposition of sanctions;

"We have seen an increase in service users facing hardship and needing help to appeal against decisions to stop ESA, being denied Personal Independence Payment (PIP) by the DWP. We are giving out a lot of food vouchers for food banks as a result of benefit sanctions. We are also dealing with a lot more Notices Seeking Possession of rented properties because of rent arrears caused by benefit sanctions.

Obviously this leads to deterioration in the mental wellbeing of our service users due to the added financial stress."

SURC has supported a claimant whose GP rings him every evening as he is a suicide risk following being sanctioned and a widow who had a breakdown and required crisis mental health support after having been sanctioned;

"Through our awareness sessions with Jobcentre Plus we recognised the valuable role which Disability Employment Advisers (DEA) play in supporting those with health problems and / or disabilities. DEA's have an excellent understanding of the issues those with health issues face in the labour market and experience of making reasonable adjustments and well considered and appropriate claimant commitments to ensure that claimants are able to comply with conditionality.

We note that DWP will no longer offer specialist Disability Employment Adviser (DEA) support roles within Jobcentres after 31st March 2016 which is of grave concern. We believe that the removal of this role may lead to poorer outcomes for claimants who have health or disability issues."

## The impact of Universal Credit expansion

Salford has seen a gradual expansion of Universal Credit. Latest figures from December 2015 show there are a total of 3,018 Universal Credit claimants in Salford with 1,151 in employment (hours unspecified) and 1,863 not in paid employment. We are unable to access sanctions figures for Universal Credit claimants so cannot fully assess the impact in Salford until DWP release these statistics.

The DWP has recently confirmed that the migration of existing benefits to Universal Credit will be completed by 2021 with the digitalisation roll out completed by 2018 taking in 5 Jobcentres per month increasing to 50 per month from the “back end” of 2016-2017. This digital service means that the majority of transactions for Universal Credit will be done online which will have major implications for Salford claimants many of whom struggle with literacy, numeracy and ICT skills. (See Appendix 3).

Evidence gathered for this report from advice providers demonstrates that conditionality within Universal Credit is often being applied with a lack of flexibility. Despite the legislation stating that claimants must undertake “all reasonable work search” there is some anecdotal evidence that unless a support / advice worker provides evidence of additional needs, a blanket approach of having to prove 35 hours per week job search is applied leading to claimants finding it difficult to evidence.

### Case Study

A single 31 year old woman who left work with severe depression claimed Universal Credit in December 2014 and by the middle of February she had been sanctioned three times. The first was for not showing good cause for nonattendance at a meeting with her Work Coach. This lasted until she attended a rearranged interview a few days later. The second and third sanctions were for “failing to undertake all reasonable work search action”. This amounted to “not recording her work searches adequately”. This meant that she was sanctioned for 28 days and then another 91 days. Being left with no money to live on and increasing pressure from the landlord as she went into rent arrears meant that she was too unwell to take up work.

With representation from Salford Welfare Rights and Debt Advice Service two out of three sanction decisions were overturned. A hardship payment was applied for and arrangements made to pay the rent direct to the landlord. By October 2015 her mental health was recovering and she moved off Universal Credit and into full-time work.

From December 2015 Salford is hosting a Universal Credit in Work Conditionality Pilot and the Task Force has asked for feedback from DWP on the implementation of this and the numbers of sanctions imposed. This should be reported through the quarterly schedule of meetings to be agreed between the Task Force and DWP following this report.

## **The impact on levels of personal debt**

Sanctions have the potential to;

- Cause people to get into debt in order to meet their essential needs;
- Exacerbate debt issues where people are already in debt;
- Undermine or remove the possibility of an effective debt solution.

Causing people to get into debt places an unnecessary burden on an already over stretched advice sector. It can also lead to a slippery slope where a small loan to tide over becomes an intractable debt, as further credit is used to repay debt, deepening the problem.

With limited funds clients may find they are unable to meet essential bills and begin to accrue priority debts. These can lead to threats to their home, their liberty (non-payment of fines) and access to utilities.

Debt Advisers already working with clients who are affected by a sanction can find all their work undone. New budgets have to be drawn up. Advice about meeting emergency need rather than dealing with the debt takes precedence. Funding of advice agencies does not take into consideration such disruption to the debt advice process. Again this adds a considerable unnecessary strain to advice services and can significantly delay holistic solutions such as bankruptcy or a debt relief order. Where a client lacks means to meet essential needs the 'fresh start' that insolvency is designed to provide does not apply.

Many creditors are unprepared for, or unaware of, the sanctions regime. As a result they may simply decide the borrower is a 'won't pay' and commence enforcement action. This can affect credit ratings and have long term consequences for access to mainstream credit.

The link between mental health and debt is well researched. Debt can be overwhelming, inducing a sense of helplessness. Vulnerable people can respond by disengaging or failing to engage with advice services.

Although a sanction can be time-limited, the effects of the sudden loss of income may be much longer and deep-seated. Those sanctioned are often vulnerable and on a low income. They typically have little or no financial resources to fall back on when things go wrong. They may also have difficulty accessing affordable credit in an emergency. As a result there is a risk that sanctioned claimants will turn to



Pay Day Lenders or illegal money lenders or '**loan sharks**'. We know there are an estimated **310,000 households nationally borrowing from loan sharks** who quickly trap borrowers into spiralling debt.

Due to concern from Greater Manchester Police about under reporting of this crime in Salford, the Financial Inclusion Practitioner's Group and the Illegal Money Lending Team are now working on a new campaign to highlight the dangers of loan sharks and to promote affordable credit.

## **Food and fuel poverty**

One of the main concerns when a sanction is imposed is obtaining essentials such as food and fuel without any resources. Below are the most recent figures provided by Salford Food Share Network for foodbank usage in Salford split into three different categories to provide a more accurate insight into food poverty.

- (i) Food parcels                      2,982 per year
- (ii) Free meals                        4,568 per year
- (iii) Subsidised meals    2,050 per year - an organisation in Salford operate a food club where members make a weekly payment of £2.00 and can then chose 8 / 10 items food from the stock available had 511 visits in a 10 month period. This is in effect a subsidised food parcel.

The above does not include informal provision available to individuals and families from their own networks.

In addition, these are the last available figures from the local welfare assistance scheme, Salford Discretionary Support Scheme (SDSS) which Salford City Council administers through a central government non ring fenced grant.

## **Immediate Emergency Assistance (IEA)**

IEA are the replacement for DWP crisis loans. Generally the numbers relate to help with food parcels and people who have no immediate fuel (usually when on pre-payment meters). In addition, furniture can be provided in a crisis, for example, a fridge for someone with medical needs. IEA's are non-repayable.

The scheme has changed as a result of budget cuts and organisational changes so is too different between last year and this year to do a direct comparison as to why people have approached the scheme for help. Last year the scheme collected combined data for Immediate Emergency Assistance and Resettlement Grants so the reasons for application covered both.



Reasons for Application to IEA	Apr-15	May-15	Jun-15	Jul-15
Welfare Reform- Benefits Stopped/ Awaiting Benefits/UC	28%	36%	41%	38%
Welfare Reform- Benefits Sanctioned	3%	4%	4%	8%
Financial Difficulty- Managing Money/ Debt	45%	44%	38%	34%
Financial Difficulty- Move into New Property	-	8%	-	-
Resettlement- Homelessness Prevention	14%	-	12%	-

## **The impact of sanctions on organisations remains a significant issue in the city**

We reported in the interim findings of 2014 that the regime was leading to claimants being “mandated” to volunteer. Salford Volunteer Centre described an increase in the number of claimants referred by Jobcentre advisers attending their drop-in surgeries ‘under duress’ claiming they don’t want to volunteer, or are too poorly to, but feel forced as they have been threatened with benefit sanctions if they don’t turn up. Approximately 50% of attendees at the drop-in at this time were JCP referred. The organisation has subsequently signed up to a position statement with other GM centres against ‘mandatory volunteering’;

“This puts our Volunteer Centre staff in a difficult position – they are here to support and promote positive volunteering but this is neither positive for the individual, the organisation they might be placed with to volunteer, nor indeed the reputation of volunteering. Volunteering is about time freely given and is driven by a variety of motivations, but if an individual is forced to be there it undermines this basic principle.”

In respect of the issues raised around volunteering, Salford Community and Voluntary Service (CVS) explains;

“Involving volunteers costs an organisation approximately £350 per volunteer and takes a great deal of planning...time and money that comes out of the charity’s resources. If an individual is forced to go along this soon becomes apparent to the organisation and they don’t take

them on or if they do, in many cases the person isn't committed or can't attend due to their health and the volunteering comes to an end – this is a huge impact on the organisation's resources and on our reputation."

(See Appendix 4 Position statement from Volunteer Centres and Voluntary Sector.)

Since the last report, the Chief Executive of Salford CVS met with Jobcentre Plus and explained that mandated volunteers would not be accepted. This has led to a decline in numbers presenting as mandated, however this practice has not been eradicated entirely.

The Task Force has also heard from a local voluntary sector agency who informed us that they have been told by claimants that they have been informed by their Work Coach that if they did not attend their provision, they risk having their benefits stopped. On further investigation, the project is one commissioned by Salford City Council and is entirely voluntary. This suggests that voluntary provision in the City is being brought into the conditionality regime when it has not been commissioned on that basis.

## 7. Conclusion

The implementation of the DWP's conditionality and sanctions regime in Salford continues to cause distress and destitution for claimants and an increased demand for support for the City's public and community and voluntary sector agencies. Despite a reduction in numbers since our original report, the fact that many vulnerable claimants are still receiving benefit sanctions which are often inappropriate and potentially unlawful remains unacceptable.

Local case studies collated over the past year continue to corroborate this and illustrate the devastating impact sanctions have on the lives of people who are already struggling to make ends meet. Sanctions affect an individual's ability to meet essential living expenses for themselves and family such as food and fuel but can also lead to longer term problems including debt, rent and council tax arrears and in some cases destitution due to the potential of repeat and longer term sanctions under the more stringent legislative regime.

<https://www.whatdotheyknow.com/request/259586/response/635763/attach/html/4/Vulnerability%20guidance.pdf.html>

Following the report of the Parliamentary enquiry into benefit sanctions, the Secretary of State for Work and Pensions has confirmed that DWP has produced additional vulnerability guidance. The Task Force welcomes this as it clearly states that conditionality should be tailored to take into account individual's circumstances where they have complex needs. The government says it accepts a need to improve the guidance about how Jobseeker's Allowance conditionality can be varied to take account of someone's physical or mental health problems, particularly when appeals are being pursued against Employment and Support Allowance claims simultaneously.

In response to a recommendation for improved guidance on vulnerability around mental health, learning disabilities or cognitive difficulties, the government states it has created a new "Vulnerability Hub"<sup>6</sup> incorporating links to a wide body of external information from mental health experts and similar.

In order to ensure that DWP follows this guidance in Salford, the Task Force will incorporate monitoring of claimant commitments as an indicator within the proposed six monthly meetings with Jobcentre Plus from June 2016.

<http://www.parliament.uk/documents/commons-committees/work-and-pensions/Letter%20to%20Chair%20from%20Iain%20Duncan%20Smith%20re%20benefit%20sanctions%20.pdf>

We note that as a result of wider Welfare Reform changes, more people, particularly vulnerable claimants with significant health problems and parents with very young children will become subject to increasing conditionality and therefore at risk of sanctions. Furthermore, the fear and threat of a sanction clearly impacts on the health and wellbeing of claimants and their families and we believe there is a strong correlation between austerity, Welfare Reform and a rise in reported mental health issues.

[http://www.fph.org.uk/the\\_impact\\_of\\_the\\_uk\\_recession\\_and\\_welfare\\_reform\\_on\\_mental\\_health](http://www.fph.org.uk/the_impact_of_the_uk_recession_and_welfare_reform_on_mental_health)

As Universal Credit expands, we will see an increase in the number of people claiming Universal Credit throughout 2016, meaning conditionality will continue to expand to people on a low income who have historically not been compelled to engage with Jobcentre Plus. This has already begun in Salford as from 14th December 2015, a pilot for those in work on Universal Credit means claimants not reaching their required earnings threshold (35 hours times national minimum wage for those subject to all work requirements) are now subject to conditionality and can be sanctioned. The threat of benefit sanctions is clearly not going to diminish and the intention to embed Jobcentre Work Coaches into wider public services poses the threat of pushing people further away from genuine support if the current regime is replicated into future models of delivery.

## 8. Recommendations

The Task Force makes the following recommendations;

### 1. Protecting the safety net

- 1.1 As a result of wider Welfare Reform changes (bedroom tax, benefit cap, freeze on working age benefit payments) and public service funding cuts, the “safety net” is being gradually eroded leaving claimants extremely vulnerable to financial hardship and the threat of homelessness. It is critical that services must be adequately resourced to meet the needs of claimants who find themselves at the point of crisis due to benefit sanctions.
- 1.2 We note that our local welfare provision for those who have been sanctioned provides a life line. Salford Discretionary Support Scheme provides emergency fuel and arranges food parcels to households who have no other source of support.
- 1.3 We want Salford City Council commit to maintaining current funding levels for the Immediate Emergency Assistance budget within Salford Discretionary Support Scheme for 2016-2017 and beyond.
- 1.4 We want Salford City Council to widely promote the Salford Discretionary Support Scheme to claimants and agencies including a poster campaign and social media publicity.
- 1.5 Advice services play a key role in advocating on behalf of claimants to prevent sanctions and representing claimants to undertake legal challenges against adverse benefit decisions where unlawful. Welfare Rights and Debt Advice Service and Salford Citizens Advice also provide added value by delivering high quality awareness sessions to the City's frontline workers on Welfare Reform so that expertise is disseminated in order to reach more claimants who may be affected.
- 1.6 As part of the Salford Advice and Information Network, Salford Welfare Rights and Debt Advice Service has delivered 7 “Dealing with Sanctions” workshops to frontline staff since Summer 2014 as part of its wider “Welfare Reform” programme and Salford Citizen's Advice 8 sessions on Welfare Reform including sanctions.
- 1.7 We recommend that Salford City Council, all social housing providers NHS Salford, the GMCA, Big Lottery and other relevant commissioners and funders, explore investment in free, independent and impartial advice

services to maintain and build on current welfare rights and debt advice services.

- 1.8 Salford Credit Union provides affordable credit to those who live or work in Salford. It also encourages members to save on a regular basis allowing them to build up their own "safety net" to draw on when faced with a sudden financial shock. Salford Credit Union is developing and diversifying its range of products and services with the aim of providing community finance for all not just for the financially excluded.
- 1.9 In order for Salford Credit Union to achieve sustainable growth, we recommend that partners and commissioners invest financially and in kind into Salford Credit Union to enable the Credit Union reach further into Salford's communities and become the central dynamo around which Salford's financial inclusion services operate.

## **2. Continuing Improvements in local practice**

- 2.1 We are aware that all Work Coach roles within Jobcentre Plus become generic from 31st March 2015 therefore we recommend that all Salford Work Coaches receive quality training in disability awareness and the requirements under the Equality Act and Public Law to ensure reasonable adjustments are made to accommodate the needs of claimants who are deemed vulnerable according to DWP's own guidance and / or have protected characteristics under the Equality Act.
- 2.2 The Task Force wants agreement from partner agencies to systematically record when sanctions have been imposed on their service users and record outcomes when a decision is challenged building on existing models of good practice in the City. This will improve our understanding of local impact.
- 2.3 The Task Force recommends that an action plan is agreed for the group to continue to monitor the scale and impact of sanctions on Salford claimants from April 2016. This will drive further improvements in local practice and we recommend that to ensure ownership and accountability of the actions, members of the Task Force meet on a six monthly basis with Jobcentre Plus District Manager and Salford Operations Managers.
- 2.4 Evidence shows that vulnerable claimants are still being sanctioned and the group most affected is 18 to 25 year olds. Connexions, commissioned by Salford City Council, highlight the significant numbers of Salford's young people who are moving away from state support. This impacts on them financially but also denies access to programmes of education, training and employment therefore exacerbating the issue. Their families are also negatively impacted as they may be feeding and clothing the young person from a limited household income.

- 2.5 We want to explore in more depth why this is happening in Salford and how we can implement actions to reverse this trend in Salford where we continue to work with a significantly high level of young people not in education employment or training. We need additional resources to undertake this piece of work and recommend that partners through the City Partnership commit to pooling funding to enable this work to be undertaken by the Task Force and that the Task Force also explores external funding opportunities.

### **3. Influencing national and local policy**

- 3.1 The Task Force is extremely disappointed by the refusal of the current government to agree to all of the recommendations made by the Work and Pensions Committee. In particular, the call for a broad independent review of benefit conditionality and sanctions, for testing different approaches and the application or deterrent threat of financial sanctions, as well as evaluation of sanction lengths.

- 3.2 The government also rejects a recommendation for tracking shorter and longer term employment outcomes and earnings progress of sanctioned benefit claimants. It rejects recommendations to release internal DWP peer review reports commissioned to investigate deaths of benefit claimants who had been sanctioned, including the case of David Clapson whose family went public in order to campaign for an independent inquiry

<http://www.theguardian.com/society/2014/aug/03/victims-britains-harsh-welfare-sanctions>

- 3.3 We add our voice to those from a wide range of organisations and faith groups calling for an independent enquiry into the conditionality and benefit sanctions regime and recommend Salford's City Mayor and MP's campaign for this outcome.
- 3.4 The exploration of the conditionality and sanctions regime in the City has shed light on a major cause of financial hardship and debt amongst a significant number of households.
- 3.5 We note that Salford City Council has agreed to produce a poverty strategy for the City with partners. We want to ensure that the sanctions work directly feeds in to the strategy and its action plan through the involvement of this partnership Task Force in developing the strategy.





# Appendix 1.

## Report Contributors

Salford Unemployed and Community Resource Centre
Salford Discretionary Support Service, Salford City Council
Welfare Rights and Debt Advice Service, Salford City Council
Salford Citizen's Advice
MIND in Salford
Achieve Salford Recovery Services – Greater Manchester West Mental Health NHS Foundation Trust.
Loaves and Fishes
Salford Central Food Bank
Salford Connexions
Leaving Care Team – Next Step, Salford City Council
Salford Foundation Trust
Salford Community and Voluntary Services (including Volunteer Centre Salford)
The Broughton Trust
Start in Salford
Go ON Co-ordinator, Salford City Council
City West Housing Trust
Salix Homes
Pendleton Together
Guinness Partnership
National Probation Service (Salford)
Skills and Work Commissioning Team, SCC
Salford Community Learning Trust
Salford Credit Union
Salford Probation Service
Data analysis: Nathan Percival and Jane Roberts Salford City Council

With special thanks to Dr David Webster, University of Glasgow whose data has been used for context within this report and who provided welcome advice.



## Appendix 2. Claimant commitment





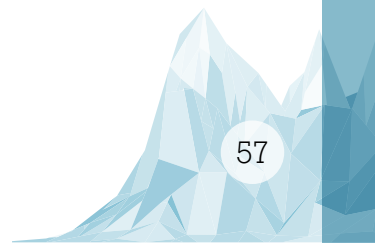


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# Appendix 3.

## Welfare Reforms affecting working age benefit claimants

Date	Reform	Claimants affected
14 December 2015	Universal Credit In work conditionality pilot in Salford.	Part-time low paid workers at risk of having their UC sanctioned if they are deemed to be earning below their individual threshold and do not comply with taking steps to increase pay rates or hours.
April 2016 to April 2020	Main working age benefits and tax credit rates frozen.	People of working age on low incomes . £4 billion cut by 2020
April 2016	National Living wage of £7.20 per hour.	Aged 25 and over only
April 2016	Cuts to tax credit income rise disregard.	A cut in tax credits for those whose income increases by more than £2500 in a year.
April 2016	Universal Credit work allowances (the amount you can earn before UC is reduced) will be cut altogether for those without children and significantly reduced for disabled people and those with children.	Reduction in UC in-work support for those on the lowest pay.
April 2016	Universal credit childcare element increase from 70% to 85% of childcare costs up to a monthly limit of £646.00 pm for one child and £1068pm for two or more children..	Working parents on Universal Credit who meet the criteria.
April 2016	Housing benefit backdating reduced from six months to one month in line with UC.	Higher risk of rent arrears for tenants who are unable to make a new claim on time
April 2016	Cap on the amount of rent covered by housing benefit in the social sector to the relevant private sector local housing allowance for new tenancies signed from 1 April 2016 but to take affect from April 2018.	Will particularly affect single under 35 year olds whose cap will be the shared room rate. Access to social housing limited and increase risk of homelessness.
Autumn 2016	The benefit cap which restricts the amount of benefits a family can receive to reduce from £26,000 to £20,000pa.	400 to 600 out of work families in Salford will have a cut to their housing benefit or Universal Credit.

April 2017	Parents (including lone parents) claiming UC will be expected to prepare for work when their youngest child turns two and to look for work when their youngest child turns three.	Higher risk of sanctions for parents of children aged one to three who are unable to meet these work requirements.
April 2017	Removal of the work-related activity component for new Employment and Support Allowance and UC claimants. They will receive the same rate of benefit as those claiming Jobseeker's Allowance.	Claimants with ill-health or disabilities who have been assessed by the DWP as having a limited capability for work. If sanctioned may be left with no money like JSA claimants. Currently the work-related activity component remains.
April 2017	18 to 21 year olds on Universal Credit will have initial intensive support and then have to apply for an apprenticeship or traineeship, gain work-based skills, or go on a work placement 6 months after the start of their claim.	Higher risk of sanctions for young people who are unable to meet these requirements.
April 2017	18 to 21 year olds will not be able to claim housing benefit or Universal Credit housing costs (with exceptions for those considered vulnerable).	Higher risk of homelessness, overcrowding, family pressures.
April 2017	No Child tax credit or UC child element in households with two or more children for subsequent children born after April 2017. Removal of higher child tax credit and UC rate for the first child born after April 2017.	Substantial decrease in income for low income families both in and out of work. Estimated £2 billion cut 2020.
April 2018	Cap on the amount of rent covered by housing benefit in the social sector to the relevant private sector local housing allowance.	Takes affect for anyone who signed a new tenancy after 1 April 2016. Will particularly affect single under 35 year olds whose cap will be the shared room rate.

## Appendix 4.

### The groups affected by the expansion of Universal Credit in Salford

Date	Who
July 2014 to December 20 14	New claims from single and couple jobseeker's who meet the gateway conditions.
March 2015	New claims from families with children who meet the gateway conditions.
At some point during 2017 – Digital Service	All new claims for JSA, IS, ESA ,HB Tax Credits or changes in circumstances that trigger a new claim -
June 2018 to March 2021	Managed migration of existing JSA, IS, ESA HB and Tax Credit cases who have not had a change of circumstances.

“Benefit sanctions are controversial because they withhold subsistence-level benefits from people who may have little or no other income. We agree that benefit conditionality is necessary but it is essential that policy is based on clear evidence of what works in terms of encouraging people to take up the support which is available to help them get back into work. The policy must then be applied fairly and proportionately. The system must also be capable of identifying and protecting vulnerable people, including those with mental health problems and learning disabilities. And it should avoid causing severe financial hardship. The system as currently applied does not always achieve this.

Recent research suggests that benefit sanctions are contributing to food poverty.

No claimant should have their benefit payment reduced to zero where they are at risk of severe financial hardship, to the extent of not being able to feed themselves or their families, or pay their rent.”



**Dame Anne Begg MP,**  
Chair of the Work and Pensions  
Committee  
**24 March 2015.**



For further information about DWP conditionality and sanctions including additional case studies please see;

**[www.partnersinsalford.org](http://www.partnersinsalford.org)**

For further information about the work of the Salford Task Force please contact Catherine Connors, Skills and Work Board Business Manager, Salford City Council.

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